Proskauer

New and Emerging Manager Guide 2025

The Fund Raising Process in Eight Stages

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Private capital fundraising remains a complex journey for any sponsor, especially for first-time fund managers. With the market's rapid evolution, new managers often find themselves navigating an increasingly dynamic landscape, from longer fundraising timelines to adapting to shifting investor expectations and regulatory changes. This makes the process of setting up a fund even more intricate, involving not only investor negotiations but also the complexities of closing and post-closing obligations. For first-time fund managers, the process can feel overwhelming, yet it also presents opportunities for growth and innovation.

In the latest edition of **Proskauer's New and Emerging Manager Fundraising Guide** we break down the capital raising process into eight critical stages. By focusing on the key considerations that sponsors must address when launching a fund for the first time, this guide is designed to help managers navigate the current fundraising environment, turning challenges into valuable opportunities for both themselves and their investors.

Executive Summary

This manual outlines the legal and regulatory stages private fund managers must go through when launching their first fund.

Eight Stages to Launch a Fund Covered:

1. **Structuring** – includes fund types and structures, U.S. regulation of fund managers, seed portfolios and warehoused investments, and more
2. **Terms and Conditions** – includes carried interest, clawback/escrow, drawdowns, management fees, and more
3. **Marketing** – includes placement agents, marketing materials, investor due diligence and investor qualifications, regulatory issues, and more
4. **Preparation of Fund Documentation** – includes summary of key required legal redocumentation

5. **Internal Arrangements** – includes summaries of key topics to be negotiate among internal team members, including carried interest/vesting, retirement/withdrawal, co-investment, and more
6. **Investor Negotiation** – summary of how Proskauer can help manage complex, varying investor demands, due diligence and market expectations
7. **Closing** – includes securing investor commitments, completing regulatory filings, and managing logistics for first and subsequent closings
8. **Post-Closing** – includes finalizing agreements, notifying investors and regulators, establishing advisory boards, and preparing for investments

Key questions before you start include:

- What is the fund's target investment strategy?
- What kind of fund structure (e.g., blind-pool, single asset, pledge) is your goal?
- What types of investors will you target?
- In what geographies will you make investments?
- Who will have ownership and control of the fund management entity?

To access **Proskauer's New and Emerging Manager Fundraising Guide**, simply complete the form below, or reach out to a member of our industry-leading Private Funds team for further assistance.

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